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MEMORANDUM FOR : NIO/Economics

FROM :
Chief, International Finance Branch

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SUBJECT : ECD Analysis of World Capital Flows

1. As you requested, this memorandum identifies ECD analyses of world capital flows. The three facets to this analysis are:

- o Ongoing monitoring and analysis of capital flows as they relate to international debt situations. This research, carried out chiefly by a team in the International Finance Branch, uses an all-source basis for garnering and utilizing information of flows of debt capital between official and private lenders and LDCs and, secondarily, examines flows of equity capital as well.
- o Monitoring and analyzing capital movements of the thirteen OPEC member states. In this effort, carried out by a team in the International Finance Branch, special emphasis is given to Saudi Arabia, Kuwait, Iran, Iraq, and the UAE, holders of about 80 percent of OPEC assets. In this effort, official foreign assets--cash, gold, loans, securities, property--are identified with regard to asset location, currency composition, and liquidity.
- o A recently begun examination of capital flows to the newly industrializing countries (NICs) of Brazil, Hong Kong, Mexico, Singapore, South Korea, and Taiwan. Our research has focused on the status of recent private capital flows to the Asian NICs and flow of foreign direct investment to the financially troubled Latin American NICs.

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2. If you have further questions about these efforts, feel free to contact me.

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